

BEFORE THE
TENNESSEE STATE BOARD OF EQUALIZATION

In Re: Rockettown of Middle Tennessee)
 Map 093-10-0, Parcels 178.01, 190, 193 & 194) Davidson County
 Exemption)

INITIAL DECISION AND ORDER

Statement of the Case

This is an appeal from a denial of four (4) applications for exemption of the subject properties from ad valorem taxation. The applications were filed with the State Board of Equalization (the "State Board") on May 19, 2004. By letter dated May 18, 2005, (former) State Board staff attorney Regan Cothron notified the applicant of the denial on the following grounds:

This is to inform you that your application for property tax exemption is denied. Although the property provides Christian themed events, the main use of the property is for entertainment purposes. There is very little, if any religious or charitable activities carried out by the applicant. I find that the applicant is not an exempt organization within the property tax exemption statutes. In addition, the lease with Midtown Fellowship does not comply with the requirements of T.C.A. § 67-5-212. The owner of the property must be an exempt organization for the property to be exempt even if used by another exempt entity and although the use by Anchor Fellowship is religious in nature, merely allowing a religious activity to occur on ones property does not convey exemption on that property.

Rockettown of Middle Tennessee, ("Rockettown"), the applicant, timely appealed the staff attorney's initial determination to the State Board pursuant to T.C.A. § 67-5-212(b) (2) on August 11, 2005. The undersigned administrative judge conducted a hearing of this matter on October 12, 2005, in Nashville. Rockettown was represented by Joseph W. Gibbs, Attorney; Steven Westbrook, Executive Director of Rockettown; Ms. Audra Davis, Director of Development of Rockettown and Mark Ezell from Purity Dairies, President of the Board of Directors; with Donna Buchanan, from the Davidson County Property Assessors Office and William Herbert, IV, of the Metro. Legal Department.

Findings of Facts

Rockettown is nonprofit corporation that was originally incorporated in Tennessee on July 5, 1994. The purpose of the Corporation in Article 5 states in part:

The corporation is organized and shall be expressed exclusively for religious, charitable and educational purposes.

In Statement II-I to Form 1023 [List of Attachments] – part of the collective exhibit #2 tab 3, - more specific objectives were discussed.

The primary activity of Rocketown is to operate a multi-purpose Christian youth club for the youth of Middle Tennessee. The youth club has been operated by Rocketown since July 29, 1994. The principal purpose of the youth club is to provide opportunities for the youth of Middle Tennessee to gather, socialize, interact, and seek counseling and advice within a positive Christian atmosphere free of drugs, alcohol, violence and sexual pressures and in an environment and surroundings appealing to today's youth. Among the more specific activities to be conducted at there youth club are:

- (a) Expose the youth of Middle Tennessee to music, videos and video games extolling the virtues of positive Christian values. Arcade and video games and music promoting violence, drugs and sex will be strictly prohibited.
- (b) Provide opportunities for the youth of Middle Tennessee to interact on an ongoing basis in an informal and relaxed atmosphere and environment with professionally trained Christian staff and volunteers.
- (c) Provide opportunities for the youth of Middle Tennessee to discuss various problems, issues, pressures and concerns that they are facing with professionally trained Christian staff and volunteers through weekly meetings.
- (d) Develop and implement counseling, ministry and bible studies in a relaxed and informal atmosphere that appeals to youth who might otherwise not participate in such activities at church.
- (e) Provide (at no charge) a place for youth of Middle Tennessee to gather after school to socialize and play games (ping pong, billiards, arcade and video games) where positive Christian values are the norm and where drugs, alcohol and sexual temptations are forbidden.
- (f) Serve as a supplemental youth group for those youth of Middle Tennessee who otherwise might not participate in church youth group activities, but who are attracted to the informal, relaxed, "Hip" atmosphere and staff of Rocketown.
- (g) Conduct monthly (or more frequently) live Christian music concerts specifically for the youth groups of Middle Tennessee Churches.
- (h) Provide a place (generally at no charge) for the youth of Middle Tennessee to create, rehearse, and perform positive Christian oriented music and drama. Rocketown will also lease the facility artists and businesses in the Christian music industry for a fee for rehearsal performance and public purposes.

Rocketown is a unique entity, the only one of its kind in Middle Tennessee. Mr. Westbrook described the property as follows: "First, it is comprised of approximately 40,000 square feet of space that has been divided into three (3) separate venues. One third of the space, approximately 13,000 square feet is composed of a skate park, also known as the Sixth Avenue Skate park, where youth skateboard, use inline skating and BMX biking. Another one-third of the space, 13,000 square feet is a concert area for the Music venue and multi-purpose areas.

Concerts are performed there and sometimes the space is rented to other third parties for their activities. Then there are another 14,000 square feet of space, approximately 7,000 square feet of which is used for the Empyrean Coffee Bar that have computer hook ups and the last 7,000 square feet for smaller concert venues. Upstairs there is office space and seating available for informal gatherings." [Diagram collective exhibit #2].

One of the appellant's representatives, Ms. Davis, alleges that the property is exempt because it is used for religious, educational¹ and charitable events. She believes that all 3 portions are exempt because Rocketown is a faith based charity, while it may not conduct regular religious services, except for the Tuesday night Bible study for Skate Church, it provides several avenues for the youth to express their religious issues. When asked by Mr. Herbert if they could put a per cent age on the amount of time each portion is used, Mr. Ezell, Mr. Westbrook and Ms. Davis, all agreed it would be "difficult to say" because the activities could not be pigeon holed into a certain category, they believed all the activities spilled over into each other. The example Ms. Baker gave seems quite appropriate and descriptive; when dealing with "personal issues" for today's youth, a person may come to the Tuesday night Skate Church with a problem about school that would "spill over" into other areas, such the need for drug or family counseling. When such issues occur she stated that their personnel are trained to address the issues themselves or to make appropriate suggestions and referrals. When asked about the fee that was charged for participation in some of the activities, Ms. Baker responded that while there is a fee, scholarships are readily available and money would never prohibit a teen from participation. They merely have to fill out a form; she indicated that scholarships are routinely given and that approximately 20% of the participants in the Skate Park skate for free. Additionally Mr. Westbrook indicated that the fees charged do not cover the actual cost of the activities.

Additional proof showed that about 25,000 youth visit the Skate Park on a yearly basis, that approximately eight (8) times a year Demos are given by Christian skaters who are brought in to give demonstrations on skating techniques. These skaters also give "testimonials" regarding their personal relationship to God and how religion has influenced and helped in their lives. Granted, there is no pulpit or minister² but reaching the "targeted audience" is the stated goal for Rocketown and arguably the traditional route may not prove as effective.

Mr. Westbrook testified that while some of the activities are entertainment for the youth the concept goes into Rocketown's strategy of how to reach the youth. Using an A, B, C, D Approach, [A-attract Youth: Rocketown's music venue, skate park and coffee bar create a safe

¹It should be noted that even though several witnesses and Attorney Gibbs stated that some of Rocketown's activities qualify for an educational use exemption the initial application for property tax exemption filed by the organization in May of 2004 does not request consideration for "educational" use.

²There is an individual that holds the title of Director of Ministry & Sixth Avenue Skate Park, Joel Griffith. There was no documentation or testimony supplied to show whether this individual actually holds a Divinity Degree or holds a title of "pastor" or "reverend".

place for youth to hang out and interact with their friends and caring Christian Adults; B- Build Relationships: as Youth are attracted, healthy relationships are formed with other peers and with Rocketown's trained staff and volunteers; C-connect the youth to vibrant Christian Communities and, as needs arise connect them to community resources such as counseling, rehabilitation, shelters and other sources and D-help the teens Discover their purpose: As youth engage at deeper levels, Rocketown provides programs that help them discover their true purpose while developing their dreams and passions]. Mr. Ezell believes that Rocketown provides a Safe Trust House for teens, especially those teens that need positive relationships. According to the testimony the goal is to make Rocketown the "Safest Cool Place in Nashville". Rocketown also conducts fund raisers to help defray the cost of its programs so that scholarships can be given. The summer camp had 240 youth to participate in a program this past summer called "Get Off The Couch", the cost was \$125.00 per week, and 39% of the participants attended at no charge.

According to Mr. Ezell participants in their programs included youth like the J.C. Napier Dream Team and members from the Boys and Girls Club of Nashville. Furthermore, any organization that wants their youth to be a part of Rocketown can fill out the form for scholarship assistance so that "money is never an issue for teens who want to participate".

Mr. Westbrook argued that just as the "Y" Rocketown has membership fees and then you are asked to donate to the "Y" for special services so does Rocketown; he also stated that just because some programs require payment that should not make Rocketown less of a charitable organization.

Additional information regarding Rocketown's activities show that while there is no mandate that the bands that perform for Rocketown's patrons must be characterized as Christian/religious only there is a "requirement"³ that the bands that use the concert hall refrain from using offensive language, using drugs and alcohol or advocating the use of drugs or alcohol in the lyrics of their music. Rocketown charges \$5.00 admissions to a concert that it produces and reduces or waives the charge for those unable to pay. However, Rocketown also puts on concerts that are staged by third-party promoters; those promoters set the fees for admission to those concerts and Rocketown does not offer "waivers" for the admissions price.

Rocketown also makes the music venue available to local high school bands for rehearsals which it states provides opportunities for high school bands to develop their skills, attracts band and band members to Rocketown and also attracts teens who enjoy observing the band rehearsals. Rocketown also offers Arts, Dance and Music Classes and while it has a charge to participate, fees for those unable to pay are waived. Rocketown provides Bible studies for

³It is unclear whether this "requirement" is part of the contractual obligations for the bands performing at Rocketown.

teens who seek to grow spiritually, discussion groups and referral services, but the main thrust of the organization appears to be under the auspices of providing charitable services.

Conclusions of Law

Article 2, § 28 of the Constitution of the State of Tennessee provides that "all property real, personal or mixed shall be subject to taxation, but the Legislature may except . . . such as may be held and used for purposes **purely** religious, charitable, scientific, literary or educational, . . ."(emphasis added)

The legislature exercised their power to grant a tax exemption by enacting Tenn. Code Ann. § 67-5-212 (1989) which states in relevant parts:

(a) (1) (A) There shall be exempt from property taxation the real and personal property, or any part thereof, owned by any religious, charitable, scientific or nonprofit educational institution which is occupied and used by such institution or its officers **purely and exclusively** for carrying out thereupon one (1) or more of the purposes for which the institution was created or exists, or which is occupied and used by another exempt institution purely and exclusively for one (1) or more of the purposes for which it was created or exists under an arrangement whereunder the owning institution receives no more rent than **one dollar (\$1.00) per year**; provided, that the owning institution may receive a reasonable service and maintenance fee for such use of the property; and provided further . . .

(3) The property of such institution shall not be exempt if:

(A)

(B) The real property of any such institution not so used **exclusively** for carrying out thereupon one (1) or more of such purposes, but leased or otherwise used for other purposes, whether the income received therefrom be used for one (1) or more of such purposes or not, shall not be exempt; but if a portion only of any lot or building of any such institution is used purely and exclusively for carrying out thereupon one (1) or more of such purposes of such institution, then such lot or building shall be so exempt **only to the extent of the value of the portion so used**, and the remaining or other portion shall be subject to taxation. (emphasis added)

We should point out that in this state the exemption in favor of a religious, scientific, literary, or educational institution is liberally construed, Mid-State Baptist Hospital, Inc. v. City of Nashville, 211 Tenn. 599, 366 S.W.2d 769 (1963), whereas there is a presumption against exempting other property from taxation. United Cannery, Inc. v. King, 696 S.W.2d 525 (Tenn. 1985).

The Administrative Judge must also consider:

It is a fundamental rule that all property shall be taxed and bear its **just share** of the cost of government, and no property shall escape this common burden, unless it has been duly exempted by organic or statute law; and that one claiming such exemption has the burden of showing his right to it. 2 Cooley on Taxation (4th Ed.)

sec. 672; American Bemberg Corp. v. Elizabethton, 180 Tenn. 373, 378, 175 S.W.2d 535; American Nat. B. & T. Co. of Chatta. v. MacFarland, 209 Tenn. 263, 352 S.W.2d 441, 443, 444. (emphasis supplied)

"Taxes are the life blood of civil government. The right of taxation is an attribute of sovereignty. It is inherent in the state, and essential to the perpetuity of its institutions; consequently he who claims exemption must justify his claim by the clearest grant of organic or statute law. Knoxville & O. R. Co. v. Harris, 99 Tenn. 684, 693, 43 S.W. 115, (Tenn.App. 1897)

... an applicant for exemption from property taxation has the burden of proving its entitlement to the exemption. City of Nashville v. State Board of Equalization, 360 S.W.2d 458, 461 (Tenn. 1962) Further, as Administrative Judge Pete Loesch observed, **"no particular liberality is necessary or appropriate in the threshold determination of whether such applicant is a religious, charitable, scientific, or education institution under T.C.A. §67-5-212 (a)(1). Christian Psychological Center, Inc., Shelby County, Initial Decision and Order (April 14, 2000) (emphasis supplied)**

Tax exemptions in favor of religious, scientific and educational institutions are liberally construed. Kopsombut-Myint Buddhist Center v. State Bd. of Equalization, 728 S.W.2d 327 (Tenn.Ct. App.1986). Nonetheless, as the party seeking to change the initial determination on its application for exemption, Rocketown has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(2).

Having reviewed the testimony of the witnesses for Rocketown, the accompanying exhibits and answers to the questions issued in the Order to Clarify the Administrative Judge is of the opinion that there is a need to answer the initial 'threshold' question: Is Rocketown an exempt institution? If so under what section of TCA§67-5-212 does its property qualify? Attorney Gibbs has artfully argued that under the aforementioned statute there exists a two prong test for determining whether property is exempt from property tax and that under the liberal interpretation required Rocketown has satisfied that test⁴.

Rocketown, as earlier established, is basically composed of four (4) distinct parcels of property housing three (3) separate and distinct areas used to accomplish its mission. Each part while functioning under the umbrella of Rocketown provides distinct services. In order to answer the 'threshold' question the administrative judge will consider the offered activities/services to determine whether each parcel passes the initial question. (Since it is possible that part of the property could hold an exempt status while other parts could not.)

The 13,000 square feet that Rocketown uses as the Skate Church⁵ allows it to conduct Bible study and praise services in a very unorthodox fashioned. That methodology does not

⁴Mid-State Baptist Hospital v. City of Nashville, 366 S.W.2d 769 (Tenn.1963)

⁵From the application information and Exhibit #2 this would be Parcel numbers 193.00 and 190.00.

impair its exemption status. Rocketown is trying to reach teenagers, a group of individuals who in and of themselves are considered to be unorthodox in the way some express their personal religious views. As argued by Mr. Westbrook, "you have to reach them before you can teach them". Arguably the method used by Rocketown is probably more successful than some of the orthodox methods used in more conventional churches.

The Tuesday night Skate Church is the only somewhat traditionally organized function for the property, in that it opens its activities with a devotion and prayer. Otherwise its facilities are open from 3:00 p.m. until 9:00 p.m. Monday through Thursday; 3:00 p.m. until Midnight on Friday; 9:00 a.m. until Midnight on Saturday, and Noon until 6:00 p.m. on Sunday⁶. Reports show that a total of 4,600 active skaters are registered at Rocketown with 400 to 600 teens coming to the Skate Park on a weekly basis to skate board, rollerblade and bike. Again it was stated that all or part of the fees are waived for those unable to pay, this was not challenged by the Assessor's representative. It was further un-contradicted that prior to the activities beginning time is set aside for devotional time or prayer. The patrons are not mandated to pray and participate in the devotion but are encouraged to do so. The question is, do these activities by Rocketown show that it devotes its efforts and property, or any portion thereof, exclusively to the improvement of human rights and/or conditions in the community? Do these activities constitute charitable use?

Tennessee courts have held that, in order to be exempt from taxation, property owned, occupied, and used by a charitable institution must be used exclusively for carrying out one or more of the purposes for which the institution exists or for a purpose which is **directly incidental to the institution's purpose**. City of Nashville v. State Bd. of Equalization, 210 Tenn. 587, 360 S.W.2d 458, 466 (Tenn. 1962); George Peabody Coll. for Teachers v. State Bd. of Equalization, 219 Tenn. 123, 407 S.W.2d 443, 446 (Tenn. 1966). It is use of the property, and not the charitable nature of its owner, which determines its exempt status. Mid-State Baptist Hosp., Inc. v. City of Nashville, 211 Tenn. 599, 366 S.W.2d 769, 772 (Tenn. 1963). Youth Programs, Inc. v. Tennessee State Board of Equalization, et.al, 170S.W.3d92 (Tenn.Ct.App.,2004)(emphasis supplied)

Rocketown's stated purpose is to reach teens so as either to bring them into a closer to a Christian relationship or encourage them to establish a Christian relationship. Rocketown also is dedicated to providing a safe place for teens to "hang out" and connect with their peers. The Administrative Judge is of the opinion that the portion of the building (Parcel numbers 190.00 and 193) that house and operate the Skate Church, its related activities and parking facilities that support the activities does pass the threshold question and accordingly qualifies those parcels for exemption.

⁶Times when teens are out of school and need some structured safe place to congregate also occasionally houses the classes that are offered and the demonstrations/testimonials are held.

Does Rocketown engage in such charitable activities that its use of the remainder of subject property entitles it to an exemption as well?

The staff attorney felt that Rocketown's use of the property was more for entertainment purposes than charitable. This is the middle portion of the building that houses the Musical venues (13,000 square feet) and the administrative offices (14,000 square feet)⁷. As the extensive and well prepared Post Hearing Brief points out "characterization of Rocketown and its use of the property confuses the results achieved by Rocketown and the means that Rocketown uses to accomplish those goals". In other words do the ends justify the means?

The organization has two venues for the presentation of its musical concerts; one that uses local bands or bands that are not well known for concerts and the other, the use of more professional or nationally recognized groups, it is the latter that causes concern⁸. For the first group Rocketown has control over the complete operation from booking, set up to the actual concert. It controls the admission price and can make sure that those members of its "target group" that are financially disadvantaged can still get the benefit by supplying waivers. The second type of concert, ones put on by third party promoters, is totally a revenue generating venture. One put on for the purpose of generating income, it is a business⁹.

This portion of the facility is also the portion that is leased to Midtown Fellowship; the evidence shows that Rocketown receives \$500.00 per week. The post hearing brief alleges that this is not a violation of T.C.A. § 67-5-212 because "the fee paid by Midtown Fellowship in fact constitutes a reasonable service and maintenance fee", while the Assessor did not contest the testimony no supporting documentation was submitted to support the claim. However, in the supporting documentation of Rocketown's initial applications a copy of the lease agreement is included and it states in relevant part: "Lessee agrees to pay to Lessor *rental payments* in the amount of Five Hundred and no/100 Dollars (\$500.00) per Sunday during the term", there are 52 Sundays per year, clearly they receive more than the statutory \$1.00 per year. Rocketown may now call the "fees" service and maintenance, but if it walks like a duck and quacks like a duck . .

⁸This activity causes the Administrative Judge the most concern as this practice appears to be an income producing business venture and while Rocketown argues that fees derived from such ventures offset only approximately 25% of the expenses incurred by Rocketown in providing services for which it charges a fee, the total revenues for the organization as of June 30, 2004, were \$2,072,311. The exhibits also demonstrate that 68.5% of that amount is derived from contributions from individuals, business and charitable foundations; the remaining 31.5% (\$652,572.00) is derived from "other" sources. That logically means, almost 1/3 of the organizations' income comes from fees.

⁹ . . . property is not exempt where it is not used "exclusively" for carrying out the purposes of the institution or where anyone receives or is entitled to receive "any pecuniary profit from the operations of that property in competition with like property owned by others which is not exempt." City of Nashville v. State Bd. of Equalization, 360 S.W.2d 458, 465-66 (Tenn. 1962)

While Rocketown meets the judicial definition of a charity¹⁰, some of Rocketown's activities take its exempted status outside the requirements. So while Rocketown may be a charity and performs a needed and worthwhile service it is also a business. Once an organization starts to engage in activity(ies) that become income producing or violates the statutory conditions (excessive rent) it loses that exemption status as to that portion attributable to the non-exempt activity, so that part of the building/parcel that supports the music venues and rental to Midtown Fellowship is not exempt. The supporting Parcel, 178.01(parking lot) is likewise not exempt. The portion of land and improvements of Parcel 194.00 which houses the administrative services for the Skate Church are exempt; the Assessor shall make a determination as to how many square feet of Parcel 194.00 is attributable to the Skate Church's support and report that amount to the administrative judge and the State Board of Equalization within thirty (30) days of the date of this Order.

Order

It is, therefore, **ORDERED** that Parcels 190.00 and 193.00 are 100% exempt from ad valorem taxation, effective January 1, 2004.¹¹ The land and improvements of Parcel 194 proportionate to housing the administrative services for the Skate Church is exempt (specific square footage to be determined by the Assessor)¹², effective January 1, 2004; the remainder of Parcel 194 is denied exemption. Parcel 178.01 is denied exemption in its entirety.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301 — 325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

¹⁰A precise and complete definition of a legal charity is hardly to be found in the books, but it is certain that in legal parlance the word "charity" has a much wider significance than in common speech. Probably the most comprehensive and carefully drawn definition of a charity that has ever been formulated is that it is a gift, to be applied consistently with existing laws, for the benefit of an indefinite number of persons, either by bringing their hearts under the influence of education or religion, by relieving their bodies from disease, suffering or constraint, by assisting them to establish themselves for life, or by erecting or maintaining public buildings or works or otherwise lessening the burdens of government. It is immaterial whether the purpose is called charitable in the gift itself, if it is so described as to show that it is charitable in its nature. Another definition capable of being easily understood and applied is that given by Lord Camden as follows: A gift to a general public use, which extends to the poor as well as the rich." The theory of this is that the immediate persons benefited may be of a particular class, and yet, if the use is public in the sense that it promotes the general welfare in some way, it has the essentials of a charity. Again, charity has been declared to be active goodness; the doing good to our fellow men, fostering those institutions that are established to relieve pain, to prevent suffering, and to do good to mankind in general, or to any class or portion of mankind. *Baptist Hospital v. City of Nashville*, 156 Tenn. 589, at 592-93, 3 S.W.2d 1059, at 1060 (1928).

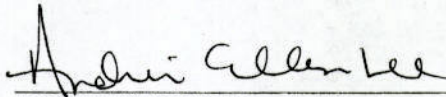
¹¹T.C.A. § 67-5-212 (3) Any institution claiming an exemption under this section which has not previously filed an application for and been granted an exemption for a parcel must file an application for exemption with the state board of equalization by May 20 of the year for which exemption is sought. If the application is approved, the exemption will be effective as of January 1 of the year of application or as of the date the exempt use of such parcel began. . . .

¹²The Assessor must determine how much of the 27,000 square feet serves the administrative support for the Skate Church.

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **"must be filed within thirty (30) days from the date the initial decision is sent."** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **"identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order";** or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 12th day of January, 2006.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Joseph W. Gibbs, Esq., Boulton, Cummings, Connors & Berry, PLC
Metropolitan Attorney William B. Herbert IV
Dana Buchanan, Exemption Administrator, Davidson County Assessor's Office

ROCKETOWN

BEFORE THE
TENNESSEE STATE BOARD OF EQUALIZATION

In Re: Rocketown of Middle Tennessee)
Map 093-10-0, Parcels 178.01, 190, 193 and 194) Davidson County
Exemption)

ORDER CORRECTING INITIAL DECISION AND ORDER

It has come to the administrative judge's attention that an error appears in the INITIAL DECISION AND ORDER dated January 12, 2006. Specifically, on page 9 of the Order, it is stated that:

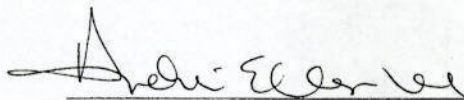
It is, therefore, **ORDERED** that Parcels 190.00 and 193.00 are 100% exempt from ad valorem taxation, effective January 1, 2004.¹ The land and improvements of Parcel 194 proportionate to housing the administrative services for the Skate Church is exempt (specific square footage to be determined by the Assessor)², effective January 1, 2004; the remainder of Parcel 194 is denied exemption. Parcel 178.01 is denied exemption in its entirety.

In fact, according to the Metropolitan Davidson County Assessor's office and Metropolitan Planning Department Online Mapping Report, Parcel 190 is the "Skate Church"; Parcel 193 is the administrative offices; Parcels 178.01 and 194 are parking lots.

Accordingly, pursuant to Rule 1360-4-1-.17, it is hereby **ORDERED** that the Initial Decision and Order of the administrative judge be amended as follows:

It is, therefore **ORDERED** that parcels or portions of parcels are exempt, effective January 1, 2004; Parcel 190 ("Skate Church"); Parcel 178.01 (parking); and portions of parcels 193 and 194 used for "Skate Church" administrative offices (to be determined by the Assessor). The remainder of the property is denied exemption.

The original Initial Decision and Order was entered on January 12, 2006, this Order is executed on February 6, 2006.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Joseph W. Gibbs, Esq., Boulton, Cummings, Connors & Berry, PLC
Metropolitan Attorney William B. Herbert IV
Dana Buchanan, Exemption Administrator, Davidson County Assessor's Office

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¹T.C.A. § 67-5-212 (3) Any institution claiming an exemption under this section which has not previously filed an application for and been granted an exemption for a parcel must file an application for exemption with the state board of equalization by May 20 of the year for which exemption is sought. If the application is approved, the exemption will be effective as of January 1 of the year of application or as of the date the exempt use of such parcel began. . . .

²The Assessor must determine how much of the 27,000 square feet serves the administrative support for the Skate Church.